

June 5, 2001

Augusta Water District
Application for Approval of
SECURITIES
Issues of Securities (§902) (\$2,265,000)

ORDER APPROVING
ISSUES OF

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

On May 24, 2001, the Augusta Water District (the District) filed with the Commission its application for authority to issue its Series A tax-exempt bonds in a sum not to exceed \$1,725,000 at an annual rate not to exceed 6 percent to be paid over a term not to exceed 20 years. The District also requested authority to issue its Series B taxable bonds in a sum not to exceed \$540,000 at an annual rate not to exceed 7.5 percent to be paid over a term not to exceed 20 years. The District will offer both bond issues for sale by bid using Peoples Heritage Bank as its financial consultant. This Order approves the District's request.

The District requires the funds from the Series A bonds to pay a promissory note previously issued to pay its share of the cost of a new reservoir (\$1,000,000)¹. The District will use the remaining funds to pay for capital improvements to the existing water treatment plant (\$470,000) and to pay for distribution system improvements (\$255,000). The District requires the funds from the Series B bonds to provide funds to pay the remaining balance of its obligations for the Maine State Retirement System Initial Unpooled Unfunded Actuarial Liability (\$540,000).

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the notes are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving these securities issuances, consistent with normal practice and pursuant to 35-A M.R.S.A. § 902 (4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, we

O R D E R

1. That the District is hereby authorized to sell its Series A tax-exempt bonds in a sum not to exceed \$1,725,000 to be used solely for the purposes described in this Order, and at a rate not to exceed 6 percent per year for a term not to exceed 20 years,

¹ The sub-division developer initially paid for the construction of the reservoir with an agreement that the District would pay its share upon completion.

2. That the District is hereby authorized to sell its Series B taxable bonds in a sum not to exceed \$540,000 to be used solely for the purposes described in this Order, and at a rate not to exceed 7.5 percent per year for a term not to exceed 20 years, and
3. That the District report to this Commission, in writing, its actions pursuant to this Order within (60) days of the date of the sale of the proposed bonds, or by August 30, 2001, whichever may come first.
4. That the Administrative Director is hereby directed to mail an attested copy of this Order to interested parties and to close this Docket.

Dated at Augusta, Maine, this 5th day of June, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR:

Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.